

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 2/7/2012	(3) CONTACT/PHONE Raymond Dienzo, Staff Engineer (805) 781-5252	
(4) SUBJECT Submittal of a resolution authorizing water conservation program costs from the Los Osos Wastewater Project to be designated as matching funds for WaterSMART grants within the Los Osos Groundwater Basin.			
(5) RECOMMENDED ACTION It is our recommendation that your Honorable Board adopt the attached resolution authorizing participation in the WaterSMART efficiency grant program with the Los Osos Community Services District.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A		(12) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(13) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(14) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
(15) LOCATION MAP N/A	(16) BUSINESS IMPACT STATEMENT? No	(17) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date _____	
(18) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(19) SUPERVISOR DISTRICT(S) District 2 -			

Reference 12FEB07-C-8

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works
Raymond Dienzo, Staff Engineer

VIA: John Waddell, Project Manager

DATE: 2/7/2012

SUBJECT: Submittal of a resolution authorizing water conservation program costs from the Los Osos Wastewater Project to be designated as matching funds for WaterSMART grants within the Los Osos Groundwater Basin.

RECOMMENDATION

It is our recommendation that your Honorable Board adopt the attached resolution authorizing participation in the WaterSMART efficiency grant program with the Los Osos Community Services District.

DISCUSSION

On September 20, 2006, California State Governor Arnold Schwarzenegger signed Assembly Bill 2701 (Blakeslee) which allows the County, at the Board's discretion, to assume responsibility for development of a wastewater project for the community of Los Osos (Project). Since 2006, the major environmental approvals have been obtained, including a certified Environmental Impact Report and final Coastal Development Permit, property owner funding approvals under Proposition 218 have been completed, and the project has secured low interest financing for all Project costs from the U.S. Department of Agriculture (USDA) and the State Water Board. On March 15, 2011, your Board adopted the due diligence resolution to assume responsibility for the Project and proceed to Project completion.

Concurrent with the Project efforts, the County of San Luis Obispo and water purveyors, Los Osos Community Services District (LOCSD), Golden State Water Company (GSWC), and S&T Mutual Water Company(S&T), are in collaborative participation as the Interlocutory Stipulated Judgment (ISJ) working group that was formed to implement a Basin Management Plan (Basin Plan) to address water supply challenges relating to the Los Osos Groundwater Basin (Basin).

This grant opportunity is administered through the U.S. Department of Interior, Bureau of Reclamation with available funds up to \$300,000 per project. This funding agency will allow water conservation costs included in the Wastewater Project Budget to act as matching funds for the WaterSMART grant

program. The water conservation program planned by the Wastewater Project will be implemented over the next two years, with an estimated capital cost of \$3 Million, and far exceeds the matching fund requirements.

On behalf of the ISJ working group the LOCSD has applied for a grant funding opportunity under the WaterSMART: Water and Energy Efficiency Grants program for projects that seek to conserve and use water more efficiently. Water conservation projects that are eligible for the WaterSMART program include installation of High-Efficiency Indoor Appliances and Fixtures; smart irrigation controllers, high efficiency sprinkler heads, and water meters associated with production and/or leakage quantification. These and other projects that results in quantifiable and sustained water savings or improved water management are eligible for this program.

OTHER AGENCY INVOLVEMENT/IMPACT

Numerous federal, state and local agencies are involved in the Project. The LOCSD is the lead agency for submitting the grant application, on behalf of the ISJ working group. The ISJ working group is developing solutions to the community's groundwater basin overdraft which is causing sea water intrusion (Golden State Water, Los Osos Community Services District, and S&T Mutual Water Company under the jurisdiction of the San Luis Obispo County Superior Court). County Counsel is providing legal guidance on all aspects of the Project and has approved the attached Resolution as to legal form and effect.

FINANCIAL CONSIDERATIONS

The recommended action does not impact the Wastewater Project budget but authorizes costs that are already budgeted to be leveraged to secure additional Federal grant funds for the community of Los Osos. The Project budget allocates an initial capital cost of \$3 Million for water conservation programs. Water conservation programs performed by the Wastewater Project will move forward independently of the LOCSD's water conservation programs contemplated in the grant application.

RESULTS

Approval of the recommended action will continue the collaborative, multi-agency progress toward mitigating water supply challenges with the Los Osos Groundwater Basin.

File: CF 310.87.03 Los Osos Wastewater Project

Reference: 12FEB07-C-8

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ATTACHMENTS

1. Resolution Authorizing Water Conservation Program Costs from the Los Osos Wastewater Project to be Designated as Matching Funds for WaterSMART Grants within the Los Osos Groundwater Basin